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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 03/23/07

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Akahata:

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(1) Announcement of Tokyo gubernatorial election: Voters should closely examine candidates' policies

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Choose people who can rectify distorted politics

3) Prime Minister's Official Residence (Kantei)

Prime Minister's schedule, March 22

NIHON KEIZAI (Page 2) (Full)
March 23, 2007

09:27

Arrived at Kantei.

10:20

Met with Chief Cabinet Secretary Shiozaki, Deputy Assistant Chief Cabinet Secretary Ando, Agriculture Ministry Councilor Murakami, MOF Customs and Tariff Bureau Director-General Murakami and others. Afterwards, met with MOFA Middle Eastern and African Affairs Bureau Director-General Okuda.

11:30

Met with Special Advisor Nemoto.

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12:33

Met with Minister of Economy, Trade and Industry Amari and State Minister in Charge of Financial Services Yamamoto, joined by Minister of Internal Affairs and Communications Suga.

14:25

Met with India's Mukherjee.

15:03

Met with Deputy Chief Cabinet Secretary Matoba and later Special Advisor Koike.

15:52

Attended an Asia Gateway Strategy Council meeting.

16:32

Attended a Security Council session.

17:45

Had a roundtable with Yoshiko Sakurai for a monthly magazine at Kantei residence.

4) Whether DPRK will take first-stage action now questionable with six-party talks going into recess; Optimistic US envoy Hill misjudged the situation repeatedly

ASAHI (Page 7) (Excerpts)
March 23, 2007

Kei Ukai, Nanae Kurashige, Tadahisa Takatsuki, Beijing

The six-party talks in Beijing were supposed to discuss steps for denuclearization, such as shutting down nuclear reactors at Yongbyon, but they have now gone into recess without holding substantive discussions, as a result of the focus of the talks shifting to the issue of North Korea's frozen funds at a Macao bank. The North Korean negotiators walked out of the session, while the United States, which has made a number of concessions, was left in apparent puzzlement. Whether North Korea will take the first-stage action it promised in some 20 days before the deadline is now questionable.

Japan flabbergasted by US

The Bush administration, out of impatience to achieve the final goal of denuclearizing North Korea, has repeatedly made concessions. Meanwhile, the Japanese government has watched such a US with mixed feelings.

Among Japanese officials involved in the talks, some are protective toward the US' stance. One official said, "We can't ask the US to abandon its current political judgment." Another noted, "If the US

gives the highest priority to denuclearization and it is willing to make some sacrifices, America's current attitude is understandable."

However, once North Korean Vice Foreign Minister Kim Kye Gwan, the chief negotiator in the six-party talks, walked out of the six-party session and left for Pyongyang yesterday, one Japanese government official said disgustingly: "(North Korea) has made a fool of (the US) like this. Yet, (the US) is willing to deal with it. It's

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incredible."

Japan's chief delegate Keinichiro Sasae, director-general of the Foreign Ministry's Asian and Oceanian Affairs Bureau, late yesterday mentioned exchanges of views in the session over the frozen funds at Banco Delta Asia (BDA) and pointed out America's lack of preparations, noting: "The BDA issue was not fully examined before the start of multilateral talks."

America's cooperation is, however, essential for the Japanese government, which has set the resolution of the abduction issue as the most important task. The six-party talks are essentially meant to be "US-North Korea talks" with China, South Korea, Russia, and Japan in the gallery. Washington's tilt toward the dialogue line has forced Japan to rely on the six-party framework. Prime Minister Abe told the press corps at the Kantei last night: "I believe the international community will work in close cooperation and deal with that country."

5) Six-party talks go into recess: No progress on nuclear issue; US miscalculates; Unable to hide disappointment; Concessions bring nothing but wasted effort

SANKEI (Page 7) (Lead para.)
March 23, 2007

Regarding the financial sanctions issue, which North Korea had positioned as the top priority issue in the sixth round of the six-party talks, the US made major concessions, including that it agreed to totally unfreeze its funds. However, no substantive talks on the nuclear issue took place. It was a major miscalculation for Washington, which wanted to use the talks this time as a stepping-stone to realize preliminary measures to shut down and seal the North's nuclear facilities by mid-April. If North Korea continues to fail to implement what has been agreed on, an argument calling for taking a second look at the US stance may appear in US government circles.

6) Japan unyielding in basic policy of calling for progress on abduction issue

SANKEI (Page 7) (Full)
March 23, 2007

Prior to the six-party talks, the Japanese government had expected to see progress on the nuclear issue, a government source noted. However, resentment and perplexity are now spreading toward North Korea, which responded to the nuclear issue in an insincere manner, following the earlier Tokyo-Pyongyang working group meeting, in which it rejected discussion of the abduction issue. The Japanese government intends to continue its own economic sanctions, firmly maintaining its basic position that Japan will not join in aid activities for North Korea as long as there is no progress on the abduction issue.

Commenting on North Korea's behavior, Prime Minister Abe yesterday told reporters: "It is meaningless for the North to behave in such a manner. It is important for them to act in accordance with the agreement. The international community will deal with North Korea in concert, while maintaining close contact." Chief Cabinet Secretary Yasuhisa Shiozaki expressed his displeasure by stating, "It is very regrettable."

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The government had envisaged full-scale talks to discuss each country's share in offering aid to the North if the North had agreed to shut down its nuclear facilities during the talks. Talks would then move up to the next stage. The same source said that Japan had envisioned a strategy of bringing progress to the abduction issue using aid as leverage, figuring that in such a case, the talks would not progress without Japan's participation.

In their own talks, Japan and North Korea engaged in a heated squabble over the abduction issue, giving the impression to other participating countries that the confrontation between the two countries on that issue remains deep. North Korea then tried to isolate Japan. However, with the nuclear issue, too, making little progress, prospects for settling the abduction issue are also unclear.

The Japanese delegate continued to exchange views with delegates from other participating countries than North Korea. However, they were often seen standing by in a waiting room. After the talks went into a recess, Kenichiro Sasae, director general of the Asian and Oceania Affairs Bureau, told reporters, "The talks this time started with Banco Delta Asia (BDA) and ended with the BDA."

7) Comments by experts on six-party talks

NIHON KEIZAI (Page 8) (Full)
March 23, 2007

Radio Press Director Noriyuki Suzuki: North Korea likely to come back to multilateral talks at a relatively early date

Before joining the resumed six-party talks, North Korea strongly emphasized the principle of taking an action-to-action response. The North Korean delegation's sudden return home has simply spotlighted that country's insistence on the lifting of the freeze on its funds at a Macao bank. Pyongyang appears to give weight to dialogue with the United States, though it would maintain the six-party framework.

The six-party talks went into recess, but this does not mean that the six-party framework has collapsed. My analysis is that once the North confirms the transfer of money has been completed, it will not make excessive demands and will come back to the talks at a relatively early date. The implementation of the "first-stage action" and the next action will be delayed.

Kyoto University Graduate School of Public Policy Prof. Hiroshi Nakanishi: America's dialogue line stalled

America's stance of making concessions, for instance, the complete lifting of the financial sanctions on North Korea, was conspicuous in the (resumed) six-party talks. Apparently, Washington, which has given priority to paving the way for nuclear abandonment, determined before the resumption of the talks that it had no choice but to accept North Korea's demand for the removal of the sanctions. Lying behind this move is perhaps the declining influence in the administration of hardliners, starting with former US Ambassador to the UN Bolton.

Secretary of State Rice and other officials favoring dialogue may be

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exposed to more criticism in the US administration, as North Korea

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did not budge from its tough stance in the recent talks. But it would be difficult for the US to return to a tough line against the North. The US may feel that it has been placed in a stalemate.

8) Shigeru Yokota to resign as head of abductee families' association

YOMIURI (Page 39) (Full)
March 23, 2007

After representing the Association of the Families of Victims Kidnapped by North Korea for 10 years, Shigeru Yokota, 74, intends to step down from the post this year, the Yomiuri has learned. He plans to announce his decision to resign the post at the general meeting of the association scheduled for late April. Although he confirmed he had no health problems, Yokota said: "I have found my work as a representative physically challenging." He is expected to resign either during the association's general meeting or when he turns 75 on Nov. 14. He will continue to work as an association member even after he steps down from his post.

The association, made up of eight families, was formed on March 25, 1997. Since he was the youngest one of the fathers of the abductees at that time, he was chosen as the leader of the association. He has been representing the group for a decade. He, together with his wife Sakie and their daughter Megumi, who was kidnapped to North Korea, at the age of 13, has been a symbol of the abduction issue and rescue movements.

9) Kyuma willing to visit Iraq

ASAHI (Page 4) (Full)
March 23, 2007

Defense Minister Kyuma yesterday met with visiting Iraqi Vice President Hashimi at a Tokyo hotel. In the meeting, Kyuma expressed his willingness to visit Iraq for the first time as defense minister. Kyuma said, "I've been to Baghdad twice in the past, and I know the Iraqi people are pro-Japanese." He added, "I'd like to have another chance to visit there."

Kyuma explained the Japanese government's plan to extend the Iraq Special Measures Law for two years after its expiration at the end of March. Hashimi expressed his gratitude for the Self-Defense Forces' activities. "We hope Japan will play an even greater role in international politics," he said.

10) Defense Minister Kyuma formally conveys ASDF mission extension to Iraqi Vice President Hashimi

NIHON KEIZAI (Page 2) (Full)
March 23, 2007

Defense Minister Fumio Kyuma held talks yesterday with Iraqi Vice President Tariq al-Hashimi in Tokyo. During the session, Kyuma formally conveyed to the Iraqi vice president Japan's policy of extending the Air Self-Defense Force mission in Iraq by two years. Hashimi asked Japan to continue the ASDF mission, while saying that the transport operations "are effective activities also for the Iraqi people." Referring to the Iraq Reconstruction Special Measures Law, Kyuma told Hashimi: "We are now under coordination on a plan to extend by two years. I want to submit a bill revising the law to the

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Diet before the end of this month."

11) Prime Minister Abe to visit India this year

NIHON KEIZA (Page 2) (Full)
March 23, 2007

Prime Minister Shinzo Abe met yesterday with visiting Indian Foreign Minister Pranab Mukherjee at the Kantei (Prime Minister's Official Residence). In the meeting, Abe told Mukherjee: "I'm looking forward to visiting India. I would like to visit your country at an appropriate time before the end of the year." The Indian foreign minister held a strategic dialogue for the first time with Foreign Minister Taro Aso. The two foreign ministers reached an agreement on bilateral cooperation on reform of the United Nations Security Council.

12) Japan, India hold strategic dialogue for 1st time

ASAHI (Page 4) (Full)
March 23, 2007

Foreign Minister Aso held the first strategic dialogue with visiting Indian Foreign Minister Mukherjee yesterday. Japan and India agreed in December last year to build a strategic global partnership including politics and security. Aso told Mukherjee about the Japanese government's plan to implement yen loans amounting to 185 billion yen for the current fiscal year.

Earlier in the day, Prime Minister Abe also met with Mukherjee. Abe asked for India's cooperation to have North Korea give up on its nuclear programs and to resolve the issue of Japanese nationals abducted to North Korea. Mukherjee said India would cooperate to resolve the issues.

13) New parliamentary group to be launched in LDP to support Abe diplomacy to counter Kato and others

SANKEI (Page 5) (Abridged slightly)
March 23, 2007

Junior and mid-level LDP lawmakers supporting Prime Minister Shinzo Abe's "assertive diplomacy" will launch a parliamentary league called the "Group of Lawmakers to Promote Value-Oriented Diplomacy," sources revealed yesterday. The move apparently aims to check the Asia Diplomacy and Security Vision Study Group headed by former secretary general Koichi Kato, which is drawing anti-mainstream

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party members critical of Abe's diplomacy.

The idea of launching the value-oriented diplomacy group came from Lower House member Keiji Furuya, who has been addressing the abduction issue along with Abe. So far, some 20 LDP members have joined the move. The group intends to hold an inaugural meeting in early May after the unified local elections to begin full-fledged activates.

At present, such groups as the Asia Diplomacy and Security Vision Study Group and the Asia Strategy Study Group led by Ichiro Aisawa exist in the LDP. Those groups all put high priority on China.

In contrast, Furuya's group is oriented toward strengthening the bilateral alliance sharing such values as freedom, democracy, human

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rights, and rule of law, which was advocated by US President George W. Bush. Policy Research Council Chairman Shoichi Nakagawa plans to join the group as an advisor. The group plans to discuss wide-ranging topics from security to economic strategy.

The group's organizers met in the Diet building yesterday in which Ruan Ming, a former Chinese Communist Party executive currently an advisor to the Taiwanese Presidential Office, lectured on Taiwan strategy.

14) LDP, Minshuto candidates to face off in 5 gubernatorial races out of 13 prefectures

SANKEI (Page 1) (Abridged slightly)
March 23, 2007

Election campaigning for 13 gubernatorial races kicked off yesterday for votes on April 8 in the run-up to the 16th unified local elections. They will be the first major set of elections for Prime Minister Shinzo Abe.

A total of 44 individuals -- nine incumbents and 35 newcomers, including six female candidates -- have registered to run in the gubernatorial races in 13 prefectures. Candidates backed by the ruling Liberal Democratic Party and candidates supported by the opposition Minshuto (Democratic Party of Japan) will face off in five prefectures: Tokyo, Hokkaido, Iwate, Kanagawa, and Fukuoka. All parties will endeavor to expand their support bases with an eye on the House of Councillors election this summer.

Starting with the ongoing races, candidates running in gubernatorial

and mayoral races are allowed to distribute manifestos (campaign pledges) to play up their policies.

The Tokyo race is being fought among 14 candidates compared to five candidates in the previous race. Backed by Minshuto, the Social Democratic Party, and other opposition parties, the newcomers are challenging the incumbent, who is seeking his third term effectively backed by the LDP and New Komeito. In Kanagawa, failing to field their own candidates, the prefectoral chapters of the LDP and Minshuto are backing a newcomer and the incumbent, respectively.

In Hokkaido and Iwate, former Minshuto Lower House lawmakers will face off with the LDP candidates. In Fukuoka, the incumbent seeking is fourth term will vie for the governor's seat with a challenger backed by Minshuto and the SDP.

The LDP, Minshuto, and other parties have jointly backed the incumbents in Fukui and Mie. Minshuto have failed to field candidates in Nara, Tottori, Shimane, Tokushima, Saga, and Oita. The Japanese Communist Party has fielded their candidates in all 13 prefectures.

15) 70% of candidates for 13 gubernatorial elections see social divide as widening under Koizumi, Abe administrations

ASAHI (Page 1) (Full)
March 23, 2007

The nation's 16th quadrennial local elections were officially announced yesterday in 13 prefectures, including Tokyo and Hokkaido, with a total of 44 candidates filing their candidacies. The Asahi

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Shimbun conducted a questionnaire survey of 34 main candidates and asked about regional divide that has become a point at issue between the ruling and opposition parties. In response to this question, about 70% answered that the regional divide has widened as a consequence of policy measures taken under the Koizumi and Abe administrations. In addition, more than 60% preferred local redistribution to economic growth.

The survey was conducted before the elections were officially announced, and those chosen for the survey answered questions in written form or on a face-to-face interview basis.

The survey asked candidates to pick one from among three choices given about the regional divide: 1) it has expanded with policy measures taken by the Koizumi and Abe administrations; 2) it has expanded regardless of policy measures taken by the Koizumi and Abe administrations; and 3) it has not expanded. In response, none of the surveyed candidates picked the third choice. Among other answers, 24 candidates ascribed the gap's expansion to the Koizumi and Abe administrations' policy measures, with 8 candidates saying the gap's expansion has nothing to do with such policy measures.

16) 2007 unified local elections: Minshuto ready to release manifestos in 21 prefectures

MAINICHI (Page 5) (Abridged slightly)
March 23, 2007

The major opposition party Minshuto (Democratic Party of Japan), identifying the upcoming nationwide local elections as "local manifesto races," has instructed its local chapters to draw up manifestos. The party has already announced its manifestos in 20 prefectures of the 44 prefectoral assembly races (that will be formally announced on March 30 for elections on April 8). With one for Kagawa in the pipeline, the party is expected to face the races armed with policy goals deeply rooted in local areas.

Because Minshuto will back independent candidates for gubernatorial races, its local manifestos will center on prefectoral assembly elections for which it will field its own candidates. Despite a Public Offices Election Law revision ahead of the upcoming unified local elections, political parties are still prohibited from distributing manifestos in local elections. But they will be able to

make a public appeal through manifestos that will be distributed by political organizations.

According to the Minshuto Organizational Committee, manifestos have been released by 20 prefectoral chapters: Hokkaido, Iwate, Miyagi, Saitama, Chiba, Kanagawa, Niigata, Gifu, Aichi, Mie, Shiga, Kyoto, Shimane, Tokushima, Kochi, Saga, Nagasaki, Kumamoto, Oita, and Kagoshima. Given the small numbers of local assemblymen, the party has not been able to draw up manifestoes in all 44 prefectures.

Each prefectoral chapter has prepared its manifesto based on a set of "policy indices" from party headquarters in January. For instance, Kyoto's manifesto vows to increase the number of kindergartens by three fold, and Miyagi's pledges to expand the age bracket eligible to receive medical subsidies. Minshuto manifestos tend to focus on such areas as education, medical services, and welfare in which prefectoral governments play a major role.

17) Public hearing on national referendum bills takes place; Ruling TOKYO 00001276 010 OF 012

coalition to present a revised bill as early as next week

NIHON KEIZAI (Page 2) (Full)
March 23, 2007

The House of Representatives' Special Committee on the Constitution held yesterday a central public hearing on bills to set constitutional amendment procedures submitted to the Diet by the ruling Liberal Democratic Party and its coalition partner New Komeito, and the main opposition party, Minshuto (Democratic Party of Japan). The ruling coalition intends to present a revised bill, which includes part of Minshuto's bill, probably in early next week. However since some members in the ruling camp are opposed to the Minshuto bill, it may take a long time to coordinate views in the ruling coalition.

The ruling camp proposed in a meeting yesterday of the committee's directors holding a meeting on March 29. Committee Chairman Taro Nakayama will explain today to the LDP's General Council the state of consultations with Minshuto to revise the bills. In order to pass the revised bill through the Diet in mid-April, the committee aims to submit the legislation to the Diet as early as March 27 after completing internal party procedures, and launch deliberations on the 29th.

Most speakers at yesterday's public hearing were cautious about quickly putting the bill to the vote. One speaker said, "If the ruling coalition takes a vote on the bill in the absence of the opposition parties, such will tarnish the image of the ruling camp." Another speaker stated: "Prime Minister Shinzo Abe has mentioned constitutional reform. I wonder the exit of the discussion has already been decided."

The ruling camp plans to adopt the revised bill based on consultations with Minshuto in principle. The legislation would stipulate that referendum is conducted only on constitutional amendments and whether it will be applied to other important national issues will be a theme up for consideration. Although some LDP lawmakers have opposed Minshuto's idea of lowering the minimum age for granting voting rights to 18, the party leadership will include this idea in the revised bill.

18) Cabinet Office poll: 75% see amakudari as problem

TOKYO (Page 3) (Full)
March 23, 2007

The Cabinet Office yesterday released the results of its ad hoc public opinion survey on the national public service personnel system. In the survey, those dissatisfied with government officials' way of working were asked to pick one or more problems. In response, amakudari-literally "descent from heaven" or government bureaucrats' post-retirement practice of moving into public corporations or private businesses-topped all other answers at 75.5%. Among other answers, 65.1% answered that the government guarantees their status

even though they do not work hard, with 56.7% saying their pay is higher than in the private sector and 56.4% saying there are too many government officials.

Respondents were also asked what they thought would be most effective to resolve the amakudari problem. In response to this question, 44.1% answered that government retirees in private

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businesses should be prohibited from making contact with their former government offices. Among other answers, 26.8% answered they should be allowed to work until they reach retirement age, with 19.6% saying their choices of private businesses for possible employment after retirement should be restricted.

Respondents were further asked whether they thought government officials are working hard to meet public needs. In response, more than half voiced dissatisfaction, broken down into 45.8% saying they do not meet public needs very much and 10.2% saying they do not meet public needs at all.

19) Japanese nationals decrease 50,000, total population levels off: Gov't stats

TOKYO (Page 3) (Abridged)
March 23, 2007

The Ministry of Internal Affairs and Communications yesterday made public its statistics of Japan's total population estimated as of Oct. 1, 2006. The statistics shows a decrease of 50,500 over the preceding year in the number of Japanese nationals living in Japan. However, there was an increase of 52,000 in the number of foreign nationals living in Japan. As a result, Japan's total population increased 1,500 to 127,769,500, showing almost no change over the preceding year.

In the breakdown of Japan's total population, males numbered 62,330,000 (a decrease of 19,000 over the preceding year), and females numbered 65,440,000 (an increase of 21,000 over the preceding year).

In Japan's total population, the proportion of those aged 65 and over was an all-time high of 20.8%, up 0.6 percentage point. Meanwhile, the proportion of those aged 14 and under was an all-time low of 13.6%, down 0.2 point. The figures revealed an aging population and dwindling fertility rate.

20) US report admits violated shipment of US beef, but government puts off suspending all US beef imports

TOKYO SHIMBUN (Page 6) (Full)
March 23, 2007

The Ministry of Agriculture, Forestry and Fisheries (MAFF) and the Ministry of Health, Labor and Welfare (MHLW) yesterday disclosed a report of the United States' Department of Agriculture (USDA) admitting that a US plant had violated one of the trade conditions agreed on between Japan and the US to prevent BSE. Beef without an inspection certificate was found recently in a shipment from the US. The report noted that the beef in question "cannot be identified as that from cattle 20 months of age or younger (as a trade condition)"

In response, MAFF and MHLW demanded that the USDA remove the plant that shipped the ineligible product from the list of the plants with licenses to ship beef to Japan. The report noted that the recent violation "was caused by human error and was an exceptional case." Giving consideration to the US assertion, the two ministries have decided to put off suspending all US beef imports.

The beef in question (43 kilograms) was discovered in two boxes in a

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shipment from the Lexington Plant (Nebraska) of the leading American

meatpacker Tyson Foods at Yokohama Port in February. As the cause for the ineligible shipment, the report said that two workers at the plant shipped the beef, despite an error message, in order to fix the numbers.

The employees, without checking the product, signed a confirmation document and shipped it. As improvement measures, the plant in question reportedly plans to reeducate its employees and also introduce a new system in which the machine automatically stops when an error occurs in a scanner.

Determining that the violation was an exceptional case, the Japanese government will shortly conduct on-site inspections of US plants to review the status of beef exports six months after the resumption of US beef imports. If no problem is found, the governments of Japan and the US will launch negotiations on easing the condition of limiting Japan's imports to beef from cattle up to 20 months of age.

SCHIEFFER